**VILLAGE OF EVENDALE**

**COMMUNITY IMPROVEMENT CORPORATION**

Minutes from the July 20, 2021 Regular Meeting

Evendale Municipal Building, 10500 Reading Road

Attendees: Members Dr. Hugh McKinnon (Chairman), Mayor Richard Finan, Councilmember Jeff Albrinck, Councilmember Tom Sextro, David Harwood, Al Pearlman, and Tom Kuechly. Also attending were Chris Patterson (Planning Commission Liaison), Sean Balnes (Red Tiger Investments, LLC), David Elmer (Director of Administrative Services), and Andrew Rodney (Building, Planning, & Zoning Manager).

Dr. McKinnon called the meeting to order at 7:30am.

BUSINESS

1. Approval of Minutes from the June 15, 2021 regular meeting.

Motion by Mr. Sextro was seconded by Mr. Kuechly to approve the meeting minutes as submitted. There was no discussion. The motion passed by a 7-0 voice vote.

1. Approval of Bills. Account status.

Mr. Elmer reported the CIC fund began the month of June with a balance of $29,247. Two bills from last month posted to the account. One invoice from Red Tiger Investments in the amount of $3,500 for consideration.

Motion by Mayor Finan was seconded by Mr. Albrinck to approve the financial report and pay the outstanding invoice. There was no discussion. The motion passed by a 7-0 voice vote.

1. AeroHub Update.

Chris Dobrozsi of Neyer Properties and Chuck Ackerman of Colliers International appeared before the CIC.

Mr. Ackerman reported the real estate market for AeroHub was a mixed bag. He noted the market is stabilizing and there remains demand for manufacturing and warehouse space, but that commodity prices for steel and lumber are hindering new construction. Mr. Ackerman stated that steel prices have increased threefold.

Mr. Dobrozsi noted that high commodity prices should be short term, but they are causing projects to remain on hold.

Mr. Ackerman continued by noting the largest most recent prospect was KC Robotics, however they own their current building so are not in a hurry to relocate and build new. He noted office tenants remain cautious and demand has not returned to pre-COVID levels, but the market should become clearer in the fourth quarter of 2021 or first quarter of 2022. Mr. Ackerman stated that office users interested in AeroHub will likely hold off on committing to a land purchase until early 2022 due to construction costs. He stated they remain in contact with agents, developers, administrators of listing websites, and prospective end users to promote AeroHub using tools such as Zoom Prospector. Current marketing efforts are regularly reaching 440-460 recipients each month.

Mr. Dobrozsi stated they remain in regular contact with prospective end users but commodity and materials prices remain a significant obstacle to new development.

Mr. Albrinck asked if there was an anticipated timeline where commodity prices could be low enough for new construction to compete in the market with existing buildings.

Mr. Ackerman responded by noting they follow the price of steel to judge future trends in commodity prices. He noted that due to the scarcity of existing buildings, the cost to acquire an existing building is very high even for substandard properties. He stated no real knowledge of when equilibrium in the market may happen.

Mr. Elmer reported meeting with KC Robotics and shared the AeroHub prospectus with them. He stated a desire to keep the relationship fresh for when the market for new construction improves.

Mayor Finan asked if construction on the Kinetic Vision site would show positive momentum to perspective end users.

Mr. Ackerman responded in the affirmative, noting the proposed building is an office use which presents a clean look.

Mr. Dobrozsi stated the Ohio Site Improvement Program (OSIP) grant is equally important because those dollars will be used to make sites pad ready. He noted prospective buyers need pad ready sites to help the visualize their building on the site.

Mr. Balnes noted that Kinetic Vision will set the tone and atmosphere of the site.

Mr. Dobrozsi noted that all of the surrounding infrastructure is complete and, once dirt is moved, the site will become more marketable.

Mr. Balnes asked if there was any information on new grant opportunities through JobsOhio (JO).

Mr. Dobrozsi responded that JO released a second round of OSIP grant funding and some brownfield development funds, but nothing that would directly benefit AeroHub.

Mr. Elmer noted that leads via Zoom Prospector have been almost exclusively users searching for very large sites.

Mr. Dobrozsi concurred, noting very little luck via Zoom Prospector. He stated that new press releases will come out once Kinetic Vision breaks ground, while marketing communications will continue on a monthly basis.

Mr. Pearlman asked if there was reason for optimism given the shift in work patterns experienced as a result of COVID-19.

Mr. Dobrozsi noted his pessimism regarding the future market for office space. He stated more optimism for the advanced manufacturing sector, but remarked those users will not flood the market because their market sector is relatively small. Mr. Dobrozsi reiterated the importance of pad ready sites to attract these types of businesses.

Mr. Balnes agreed, noting that advanced machinery cannot be operated remotely.

Mr. Dobrozsi stated the individual lot acreage in AeroHub is small, so the Village must be more patient in order to find the right end user.

Mr. Balnes noted the need to attract up-and-coming companies that could build a new facility in AeroHub.

Mr. Albrinck asked if the Village has considered reaching out to large companies looking to downsize their footprint.

Mr. Dobrozsi responded that given the existing office market, it is far cheaper to occupy an existing office building than build new.

Mr. Dobrozsi reported the City of Cincinnati and Hamilton County formed a task force to facilitate relocation of the firing range, including a cost exercise. A report and outreach program will commence with Colerain Township. The task force is requesting $12 million in Federal funds for relocation, with $5 million in matching funds each from the City and County.

Mr. Dobrozsi reported that negotiations to acquire the QTC building are on-going.

Mr. Balnes requested an update on marketing with the Cincinnati Business Courier.

Mr. Dobrozsi reported that a press release was developed with a rendering of the Kinetic Vision building. It will be issued along with the groundbreaking ceremony.

Dr. McKinnon thanked Mr. Dobrozsi and Mr. Ackerman for attending the meeting.

Mr. Dobrozsi and Mr. Ackerman exited the meeting at 815am.

Mr. Elmer reported that a meeting will be conducted with HCDC, Inc. later in the day. He noted the president of HCDC, Inc. will return to the Village afterwards to discuss potential relationships with companies housed in the business incubator.

Mr. Elmer reported that Kelchner is working to create pad ready sites at AeroHub, including removal of dirt from lots 4, 5, and 6.

Mr. Albrinck inquired about the origin of the dirt.

Mr. Elmer responded that all areas east of the roadway were scraped and the topsoil stockpiled. He stated that Lot 6 will be filled with some of the material. He reported that a pipe leading from the existing retention pond has failed, resulting in the growth of a sinkhole behind the headwall.

Dr. McKinnon asked if extra dirt was added to the AeroHub site.

Mr. Harwood responded that dirt from both Silco and The Modal Shop was deposited at AeroHub.

Mr. Balnes reported the Army Corps of Engineers approved the nationwide permit to allow for work in the navigable stream. He noted that Ohio EPA is currently reviewing the application as well.

Mayor Finan reported the occurrence of a building fire on Landmark Church’s campus, to which Evendale and other fire units responded. The fire resulted in total loss of a storage building and several large pieces of equipment.

Mayor Finan reported that Service Director James Jeffers was in contact with ODOT to purchase the land formerly occupied by the highway cloverleaf ramps. He stated that ODOT must survey the land and conduct a title search prior to moving forward with the sale. This process should take approximately two months.

1. Red Tiger LLC Consulting Contract Renewal

Mr. Balnes reported the contract was amended to reflect the desire of the CIC to add a conflict of interest clause.

Dr. McKinnon acknowledged the contract was amended to the satisfaction of the CIC.

Motion by Mr. Harwood was seconded by Mr. Sextro to approve the contract as amended. There was no further discussion. The motion passed by a 7-0 voice vote.

1. Other Business and Economic Development Update.

Dr. McKinnon requested an update on the old Silco building on Medallion Drive.

Mr. Elmer stated the building was purchased by Ace Doran Hauling & Rigging for their corporate offices. The company president stopped by the Village offices to extend an invitation to their grand opening event in September.

Dr. McKinnon noted the event is to be held on September 21, 2021 beginning at 9am, with a ribbon cutting ceremony at 11am.

Dr. McKinnon requested an update on discussions with Loroco Industries.

Mr. Elmer reported that Loroco Industries currently leases warehouse and production space on Evendale Drive, with their corporate functions located in Blue Ash. He stated the company is looking to consolidate into a single facility. They are actively negotiating with the current owner of their space in Evendale to acquire the property, consolidate two lots, and construct an addition to house their corporate, manufacturing, and warehousing functions. The company currently employs 30 people in Evendale. The consolidation would relocate an additional 35 employees. The total investment in new construction would be approximately $5.6 million. Mr. Elmer stated the company is no longer pursuing an enterprise zone tax abatement, but rather working with JobsOhio on grant funding for the improvements. He stated that JobsOhio dollars are easier to access and qualify for than the enterprise zone.

Mayor Finan noted the current owner is looking to retire but would prefer to complete the facility consolidation prior to turning over the company to his son.

Mr. Elmer reported the company does not prefer to be in two separate locations, but they cannot consolidate at their current facility in Blue Ash. The real estate transaction should close in September, which would commence an 18-24 month relocation plan.

Mr. Elmer stated the big picture for the Village is the current owner of the facility also owns the Bunge site between Sharon Road and Medallion Drive. The owner could use the proceeds of this transaction to address issues or catalyze redevelopment at the Bunge site.

Dr. McKinnon asked if there were additional updates to share.

Mr. Elmer reported that a meeting with the owner of the old Homer’s site at 9972 Reading Road would occur later in the morning. He stated prior communications with the owner would suggest he wanted to construct a self-storage facility on the property.

Mr. Kuechly asked if there was anything the Village could do to compel the owner to improve the property.

Mayor Finan responded that the building could be demolished due to its current condition.

Mr. Elmer reported about a meeting with the Tax Increment Review Committee (TIRC). The meetings are held annually to ensure all tax incentive agreements in Evendale are meeting their metrics. He stated some companies are meeting their metrics, while others are not. However, due to COVID-19, no penalties are proposed at this time.

1. Executive Session – to consider confidential information regarding a business’s specific business strategy, marketing plans, personal financial statements for economic development assistance, or to consider the purchase or sale of property in accordance with ORC 121.22(G)(2)(8).

Motion by Mayor Finan was seconded by Mr. Sextro to enter into Executive Session. There was no discussion. The motion passed by a 7-0 roll call vote.

The CIC entered Executive Session at 8:48am.

Motion by Mr. Harwood was seconded by Mr. Albrinck to exit Executive Session. There was no discussion. The motion passed by a 7-0 roll call vote.

The CIC exited Executive Session at 8:57am.

Dr. McKinnon announced the next scheduled meeting of the CIC would be August 17, 2021 at 7:30am.

Motion by Mr. Pearlman was seconded by Mr. Sextro to adjourn the meeting. There was no discussion. The motion passed by a 7-0 voice vote.

The meeting adjourned at 8:59am.

Attest:

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Hugh McKinnon

Chairman, Community Improvement Corporation

Meeting Minutes prepared by Andrew E. Rodney, Building, Planning, & Zoning Manager.